GOVERNMENT OF INDIA
PLANNING
LOK SABHA

STARRED QUESTION NO:48
ANSWERED ON:25.07.2001
STRATEGY TO INCREASE THE GROWTH RATE
RAMJI LAL SUMAN;UMMAREDDY VENKATESWARLU

Will the Minister of PLANNING be pleased to state:

(a) whether the Government have finalised a strategy to increase the growth rate from 5.2 per cent to 8 per cent per annum;

(b) if so, the details of the new strategy to achieve the targets;

(c) whether the annual growth rate has been below the targeted rate during the last four year of the 9th Five Year Plan;

(d) if so, the targeted growth rate vis-Ã -vis actual annual growth rate of production;

(e) whether the Government have identified the causes for the current low level of growth rate

(f) if so, the details of the factors responsible for slow growth rate; and

(g) the steps taken/being taken in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) to (g): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) to (g) OF LOK SABHA STARRED QUESTION NO.48 FOR 25.107.2001 REGARDING STRATEGY TO INCREASE THE GROWTH RATE

(a) & (b): The Planning Commission is in the process of formulating the Tenth Five Year Plan.

(c) & (d): The growth target for Plans are not fixed annually. The target growth rate of the economy, measured by growth rate of Gross Domestic Product (GDP) at constantfactor cost, was fixed at 6.5 per cent on average per annum for the Ninth Five Year Plan (1997-98 to 2001-2002). Against this, the economy has achieved annual average growth rate of 5.75 % during the first four years (1997-98 to 2000-01) of the Ninth Five Year Plan.

(e) & (f): The low level of growth rate is mainly accounted for by poor performance of agriculture, mining and quarrying, manufacturing and electricity, gas and water supply sectors. One of the main reasons for the shortfall in the growth performance is the shortfall in public investment and poor governance.

(g): Augmenting public investment, bringing down the fiscal deficit and rate of inflation, appropriate pricing of services to encourage private initiative in infrastructure development, reforms in labour policy, and improving governance are some of the measures suggested in the Mid- Term Appraisal of the Ninth Plan to improve the growth performance.